OPINION

of the Committee on Industry, Research and Energy

for the Committee on Budgets

on the Council position on the draft general budget of the European Union for the financial year 2015 (2014/2040(BUD))

Rapporteur: Jerzy Buzek
SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Is deeply concerned by the significant cuts in the Commission Draft Budget 2015 proposed by the Council notably in such strategic key areas as innovation, including innovation of a social nature, research, space, infrastructures, SMEs and energy, particularly energy security, which requires a high level of investment in energy infrastructure, energy efficiency, interconnections, and renewable energy production; firmly believes that instead of cuts, it is the time for a significant and brave increase beyond the draft budget proposed by the Commission in order to leave the economic crisis behind as soon as possible; considers the proposed cuts to be potentially detrimental to the EU’s competitiveness and growth;

2. Is concerned by the fact that already now considerable sums - which had previously been agreed by Council in the MFF negotiations - are missing in the 2015 Budget for payments and that the proposed cuts will aggravate the situation even further, compromising the ability of EU programmes to function adequately; emphasises that all appropriate measures should be taken in order to meet the Union’s legal obligations and avoid delays in payments to the important stakeholders such as researchers, universities, SMEs and entrepreneurs; calls therefore for full restoration of the Commission draft budget, and for providing more funding in areas strategically important for competitiveness, sustainability, growth and creation of jobs;

3. Is astonished that the Heads of State and Government keep announcing on every summit the importance of the EU budget in respect to growth and job creation, whereas at the same time the Council keeps cutting the EU budget in exactly these fields; reminds the Council that it was agreed during the MFF negotiations to frontload funds for a number of programmes; is convinced that the severe cuts in Heading 1a commitment and payment appropriations are oppositional to the compromise agreed upon in the MFF;

4. Is alarmed by the Council’s cut in Heading 1a of 1.85% in commitment appropriations and 8.57% in payment appropriations; finds this cut completely unacceptable since the margins of the MFF should be fully used to support the recovery of the economy and to pay all outstanding bills to the beneficiaries;

5. Considers it essential, given that they make up 99% of the EU’s corporate fabric and account for 80% of jobs in the EU, to provide greater support to micro, small, and medium-sized enterprises (MSMEs) in order to boost their competitiveness within a stable business environment, minimise the effect of dominant market positions occupied by large companies and conglomerates, encourage the culture of entrepreneurship, and help SMEs to be set up and to grow;
6. Calls for an increase in resources for budget headings providing subsidies for MSMEs and cooperatives and for 40% of the amounts entered under those headings to be earmarked as direct support to promote solid growth and sustainable development of MSMEs and cooperatives in order to cope with rising production factor costs and keep pace with the evolving knowledge society and with development based on balanced economic growth, especially in Member States where the crisis has had a greater impact in terms of MSME closures;

7. Points to the importance of narrowing the gulf between entities considered to be excellent and those which are not, the object being to ensure that science and research can also be supported in institutes which, though not considered excellent, are progressing towards excellence or could be raised to that level in cooperation with others already considered to have attained it; believes that achieving a more even-handed share-out of Horizon 2020 appropriations is an aim that should continue to be pursued with a view to improving upon the status quo created under the earlier research framework programmes;

8. Recalls that multiannual programmes such as Horizon 2020, COSME, CEF and EaSI are crucial for achieving the goals of the Europe 2020 strategy and thus for securing a steady growth path for the EU; believes that proper functioning of the programmes is also essential for efficient absorption of funds from the whole MFF; points out that several of the crucial programmes are still in their starting phase and their scaling-up should be accelerated; highlights the added value EU programmes can bring; believes that the 2015 Budget will be decisive for the success of the new multiannual programmes for 2014-2020; underlines that the 2015 Budget should therefore provide for all necessary measures such as bringing forward investment by frontloading commitments to ensure that the programmes reach their full pace of operation without further delay;

9. Emphasises the role of SMEs innovation for driving EU economic recovery; expects the Commission to fulfil its legal and budgetary commitments with regard to the SME Instrument in Horizon 2020 and calls upon the Council to enable this by providing an appropriate budget; requests the Commission to establish as of 2016 an unique budget line for the SME Instrument, in order to allow clearer budgetary oversight and control, and ensure a genuine bottom-up approach to its implementation;

10. Underlines the importance of key European space programmes such as Galileo and Copernicus as boosters for innovation, growth and competitiveness and future providers of daily services to the EU’s citizens; points to the great potential of the space sector for SMEs;

11. Believes that the implementation of the Europe 2020 strategy, which is vital to achieving our climate goals whilst stimulating growth and jobs in the renewables and low-carbon technologies sectors, requires improved governance and closer coordination between the
EU, the Member States and the regions and consultation with representatives of industry and research-based bodies; calls for the highest possible synergy between EU funds and industry-relevant and flexible financing instruments as well as between European and national expenditure;

12. Points out that reindustrialisation, combining competitiveness with social inclusion and sustainability, is essential for boosting growth and job creation and that industry should account for 20% of GDP by 2020, a goal to be achieved by improving the business environment, especially for SMEs, and supporting the development of a strong, sustainable industrial base capable of competing at global level; notes that EU funds can contribute to maintaining investment in European industry to promote Europe’s reindustrialisation and recovery and therefore further cuts in research, innovation and infrastructure investments for European industry would seriously slow down the EU’s economic recovery;

13. Highlights the importance of renewable energy and energy- and resource-efficient technologies by placing Europe at the forefront of research and innovation as well as production of such technologies while strengthening Europe’s long-term competitiveness; stresses the importance of investing sufficiently in abovementioned technologies to help combat climate change which will also help to create in Europe new sustainable businesses and quality, well-paid jobs in high growth sectors;

14. Welcomes the circular economy package published by the Commission on 2 July 2014; calls for adequate resources to be allocated for the implementation of its activities;

15. Calls for appropriate funding for all relevant EU bodies which contribute to Europe’s competitiveness and growth, for example the European Institute of Innovation and Technology amongst others, as well as for executive agencies to enable them to properly fulfil the tasks assigned to them by the legislative authority.

---

# RESULT OF FINAL VOTE IN COMMITTEE

<table>
<thead>
<tr>
<th>Date adopted</th>
<th>25.9.2014</th>
</tr>
</thead>
</table>
| Result of final vote | +: 50  
-: 5  
0: 1 |
| Substitutes present for the final vote | José Blanco Lópeze, David Coburn, Jens Geier, Jude Kirton-Darling, Werner Langen, Olle Ludvigsson, Fulvio Martusciello, Ionel-Sorin Moisă, Dan Nica, Markus Pieper, Massimiliano Salini, Anne Sander, Maria Spyraki, Cora van Nieuwenhuizen |
| Substitutes under Rule 200(2) present for the final vote | Momchil Nekov |